GOVERNMENT OF INDIA
STEEL
LOK SABHA

STARRED QUESTION NO:79
ANSWERED ON:21.11.2016
Promotion of Steel Sector
Patil Shri Shivaji Adhalrao;Shinde Dr. Shrikant Eknath

Will the Minister of STEEL be pleased to state:

(a) whether the domestic steel sector has been reportedly plagued by low prices, higher imports and muted demand growth and if so, the details thereof along with the reaction of the Government thereto;

(b) whether the Government proposes to encourage domestic steel producers to export their products;

(c) if so, the details thereof along with the subsidies/incentives being provided/ proposed to be extended by the Government in this regard; and

(d) the other steps taken/proposed to be taken by the Government to protect and promote the domestic steel industry and the extent of success achieved therefrom?

Answer

THE MINISTER OF STEEL (SHRI CHAUDHARY BIRENDER SINGH)

(a)to(d): A Statement is laid on the Table of the Lok Sabha.

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STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (D) OF THE LOK SABHA STARRED QUESTION NO. *79 FOR ANSWER ON 21/11/2016 TABLED BY SHRI ADHALRAO PATIL SHIVAJIRAO AND DR. SHRIKANT EKNATH SHINDE, MEMBERS OF PARLIAMENT REGARDING "PROMOTION OF STEEL SECTOR"

(a) Since beginning of fiscal year 2014-15, the Indian Steel industry has witnessed severe stress due to surge in imports from countries saddled with excess capacity and fall in domestic prices. In India, steel prices of HR Coils fell from a high of ~ Rs. 47,000 in April, 2014 to Rs. 30,000 in January, 2016. Volume of Steel imports increased to 11.71 MT in 2015-16 from 5.45 MT in 2013-14. With the decline in domestic steel prices, the net sales realisation and profit margins of domestic steel producers also decreased and the erosion in profit margins for the steel companies significantly decreased their debt servicing capability.

(b)&(c): Government has various export promotion schemes like Merchandise Exports from India Scheme (MEIS), Duty Exemption Scheme, Interest Equalization Scheme etc. under Foreign Trade Policy 2015-20 which are also available for export of iron and steel goods.

(d) Government has taken various steps in the interest of domestic Steel Industry from unfair foreign competition and the same have yielded positive results. Price realization has improved, imports of Steel has declined by 39% to 4.5 million tonnes during April−October, 2016 as compared to the corresponding period last year. Further, Indian Steel Exports have increased by 50% to 4.2 million tonnes during April−October, 2016 as compared to the corresponding period last year.

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